

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION**

INVESTMENT COMMITTEE

September 15, 2008

9:00 a.m.

Robert F. Carlson Auditorium
Lincoln Plaza North
400 Q Street
Sacramento, CA

COMMITTEE MEMBERS

George Diehr, Chair
Priya Mathur, Vice Chair
Marjorie Berte
John Chiang
Rob Feckner
David Gilb
Henry Jones
Bill Lockyer
Louis F. Moret
Tony Oliveira
Anne Sheehan
Kurato Shimada
Charles Valdes

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| CLOSED SESSION | 9:00 a.m. Interim Chief Investment Officer's Briefing on Market and Personnel Issues (Government Code sections 11126(a)(1) and (c)(16)) |
| OPEN SESSION | 9:30 a.m. |
| CLOSED SESSION | Upon Adjournment or Recess of Open Session (Government Code sections 11126(c)(16) and 11126(g)(1)) |

AGENDA

OPEN SESSION

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| | 1. Call to Order and Roll Call |
| Action | 2. Approval of the August 18, 2008 Open Session Minutes |
| Action / Policy Subcommittee Chair Jones | 3. Policy Subcommittee Report <ul style="list-style-type: none">a. Asset Allocation – Adoption of Policy on Affiliate Funds and Repeal of Policy on Annuitants' Healthcare Coverage Fundb. Real Estate – Revision of Policy on International Equity Real Estatec. Policy Review and Consolidation Project – Revision of Policy on Alternative Investment Management (AIM) Program |
| Information / Wilshire Associates, Pension Consulting Alliance, and PCA-Real Estate Advisors | 4. Total Fund <ul style="list-style-type: none">a. CalPERS Total Fund Quarterly Report |
| Information / Farouki Majeed | b. Asset Allocation Update |
| Information / Matt Flynn and CEM | c. Cost Effectiveness Measurement (CEM) Benchmarking Annual Survey |
| Action / Matt Flynn | d. Issuance of General Pension Consultant Services Spring-Fed Pool and Private Equity Consultant Request for Proposals |
| Action / Ted Eliopoulos | 5. Real Estate <ul style="list-style-type: none">a. Selection of Special Projects Spring-Fed Pool Consultants |
| Information | 6. Alternative Investments Management (AIM) |
| Information / Farouki Majeed | 7. Inflation-Linked Asset Class (ILAC) <ul style="list-style-type: none">a. Implementation Update |
| Action / Curtis Ishii | 8. Global Fixed Income <ul style="list-style-type: none">a. International Fixed Income Managers Annual Review |
| Action / Eric Baggesen Action / Eric Baggesen | 9. Global Equity <ul style="list-style-type: none">a. Domestic Equity Manager Annual Reviewb. International Equity Manager Annual Review |

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| Information / Eric Baggesen | 10. Global Equity – Corporate Governance |
| Information | a. Review of Corporate Governance Focus List, Proxy, and Education & Influence Program |
| | b. Corporate Governance Update |
| Information / Geraldine Jimenez | 11. Supplemental Income Plans (SIP) |
| | a. Enhancements to Investment Line-Up |
| Information / Anne Stausboll | 12. Chief Investment Officer's/Chief Operating Investment Officer's Report |
| | a. Consolidated Investment Activity Report |
| | b. Chief Operating Investment Officer's Status Report |
| Information | 13. Draft Agenda for October 20, 2008 |
| | 14. Public Comment |

Note: Items designated for information are appropriate for Board/Committee action if the Board/Committee wishes to take action. Any agenda item from a properly noticed Subcommittee meeting held immediately prior to this meeting may be reported on or presented to the Investment Committee for its consideration.

AGENDA

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| CLOSED SESSION | Upon Adjournment or Recess of Open Session (Government Code section 11126(c)(16)) (Government Code section 11126(g)(1) [Item 13 only]) |
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| | 1. Call to Order and Roll Call |
| Action | 2. Approval of the August 18, 2008 Closed Session Minutes |
| Information / Wilshire Associates, Pension Consulting Alliance, and PCA-Real Estate Advisors | 3. Total Fund |
| | a. CalPERS Total Fund Quarterly Report on Market Issues |
| Information / Ted Eliopoulos | 4. Real Estate |
| | a. Portfolio Sector Update |
| Information | 5. Alternative Investments Management (AIM) |
| Information / Farouki Majeed | 6. Inflation-Linked Asset Class (ILAC) |
| | a. Forestland Transaction Update |
| Information | 7. Global Fixed Income |
| | a. External Manager Update |

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| Information / Eric Baggesen Information | 8. Global Equity <ul style="list-style-type: none"> a. Update on Global Equity Restructuring b. External Manager Update |
| Action / Eric Baggesen | 9. Global Equity – Corporate Governance <ul style="list-style-type: none"> a. 2009 Preliminary Focus List |
| Information | 10. Supplemental Income Plans (SIP) <ul style="list-style-type: none"> a. External Manager Update |
| Information / Anne Stausboll | 11. Chief Investment Officer's/Chief Operating Investment Officer's Report <ul style="list-style-type: none"> a. Status of Action Items Not Yet Reported |
| Information / Anne Stausboll | 12. Activity Reports <ul style="list-style-type: none"> a. Alternative Investments Management b. Real Estate c. Risk Managed Absolute Return Strategies d. Corporate Governance e. Inflation-Linked Assets |
| Information / Anne Stausboll and Chris O'Brien | 13. Chief Investment Officer Recruitment |